

# THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1299.  
FILED, APRIL 15th, 1965.

TOMBILL MINES LIMITED

*Fee*  
Incorporated under Part XI of the Companies Act of Ontario  
by Letters Patent dated October 7, 1935

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous  
Filing Statement No. 1113.

## FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Sale of 400,000 shares to Francana Oil & Gas Ltd., Regina, Saskatchewan, at the price of \$1.00 per share.	
2. Head office address and any other office address.	Head Office - Suite 710 - 60 Yonge Street, Toronto 1, Ontario.	
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<div> <div> <u>President &amp; Director</u>  James A. Grant,  60 Yonge St. Toronto,  Stock Broker.  <u>Vice-President &amp; Director</u>  Sidney H. Robinson,  2402-44 King St. West,  Toronto 1, Ontario,  Queen's Counsel.  <u>Sec.-Treas. &amp; Director</u>  H. L. Good,  60 Yonge St. Toronto, Ont.  Chartered Accountant.  <u>Director</u> - George Frederick Hayhurst, 108 Rosedale Heights Drive, Tor. 7, Ont. Advertising Exec. </div> <div> <u>Director</u>  William D. George, Jr.  Sewickley, Pa., U.S.A.  Real Estate  <u>Director</u>  Foster W. Hewitt,  1 Grenville St. Toronto, Ont.  Radio Executive.  <u>Director</u>  George M. Grant,  182 Moore Avenue,  Toronto, Executive now Retired </div> </div>	
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized capital - 5,000,000 shares - no par value Issued capital - 3,300,000 shares Shares under option - None	
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil	
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	400,000 shares have been sold to Francana Oil & Gas Ltd., at a price of \$1.00 per share (see item 1). These shares are being purchased for investment purposes only. Francana Oil & Gas, Ltd., is a wholly owned subsidiary of Credit Foncier Franco-Canadien, a Company incorporated in the Province of Quebec with head office at Montreal, and listed on the Montreal Stock Exchange and Paris Bourse.	



7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None										
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None										
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The funds are required to strengthen the Company's working capital position and for general corporate purposes, and to carry out plant engineering and market studies in relation to 4 sodium sulphate leases which the Company acquired from the Province of Saskatchewan. The Directors have authorized an amount of \$40,000 to be spent forthwith on engineering and market studies in respect to the said sodium sulphate leases and if the results of these studies warrant, it is proposed that a plant will be constructed at a cost of in excess of \$2,000,000 which will require further financing.										
10. Brief statement of company's chief development work during past year.	Development work was done on the Company's potash properties in Saskatchewan and Manitoba by Noranda Mines Limited pursuant to the Option Agreement dated May 1st, 1964, between Noranda Mines Limited and the Company, including drilling and metallurgical tests and market studies. The Company carried out analyses drilling on deposits covered by two of the said Sulphate Leases and some preliminary engineering and market studies were carried out.										
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	None										
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable										
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None										
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable										
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>The Company's transfer agent advises that as of the 31st day of March, 1965 the five largest registered shareholders were as follows:</p> <table> <tr> <td>Playfair &amp; Co. Limited, 60 Yonge Street, Toronto, Ontario.</td><td>819,698</td></tr> <tr> <td>James Richardson &amp; Sons, 173 Portage Avenue East, Winnipeg, Manitoba.</td><td>232,780</td></tr> <tr> <td>Crown Trust Company, Trustee 302 Bay Street, Toronto 1, Ontario.</td><td>170,000</td></tr> <tr> <td>James A. Grant 86 Rosedale Heights Drive, Toronto, Ontario.</td><td>100,000</td></tr> <tr> <td>Wood, Gundy &amp; Co. Ltd., 36 King Street West, Toronto 1, Ontario.</td><td>80,205</td></tr> </table>	Playfair & Co. Limited, 60 Yonge Street, Toronto, Ontario.	819,698	James Richardson & Sons, 173 Portage Avenue East, Winnipeg, Manitoba.	232,780	Crown Trust Company, Trustee 302 Bay Street, Toronto 1, Ontario.	170,000	James A. Grant 86 Rosedale Heights Drive, Toronto, Ontario.	100,000	Wood, Gundy & Co. Ltd., 36 King Street West, Toronto 1, Ontario.	80,205
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TOMBILL MINES LIMITED  
STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT  
AND OTHER EXPENDITURES  
FOR THE YEAR ENDED 31ST DECEMBER 1964

<b>Potash Project:</b>			
Administrative expenses and management travelling		\$	1,956
Engineer's salary	\$ 11,433		
Less - amount recovered from Noranda Mines Limited	3,650		7,783
Engineering expenses, including Western office and engineer's travelling			3,234
Cost of retaining permits, leases and mineral rights	32,806		
Less - amount recovered from Noranda Mines Limited	19,387	13,419	\$ 26,392
<b>Ontario Property Expenses:</b>			
Taxes on property		471	
Miscellaneous		47	518
<b>Administrative and General:</b>			
Annual and general meeting reports and expenses		1,277	
Business and provincial taxes		210	
Directors' fees and expenses		1,517	
Insurance		201	
Legal and audit		5,066	
Licences and government fees		185	
Listing fees and expenses		286	
Office and general expenses		1,090	
Rent		3,537	
Salaries - executives		14,515	
- office		2,591	
Telephone and telegraph		1,313	31,788
			58,698
<b>Deduct:</b>			
Administration fees earned		2,700	
Interest received		3,115	
Dividends received		1,500	7,315
			<u>\$ 51,383</u>

TOMBILL MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET AS AT 31ST MARCH, 1965

ASSETS

<b>Current Assets:</b>			
Cash		\$	9,090.38
Accounts receivable			5,367.18
Investment in marketable securities - at book value (quoted market value \$34,200)			44,571.36
		\$	59,028.92
<b>Other Investments and Advances:</b>			
Government of Canada bonds deposited with the Province of Saskatchewan	\$ 1,847.43		
Advances to and vendor's share interest in affiliated mining company	28,349.45		
Sundry investments and advances	266.22		30,463.10
Province of Ontario Mining Properties - at cost			1,191,261.90
<b>Western Canada Potash Properties - at cost,</b>			
Acquired for the issue of 520,000 shares	\$243,164.25		
Purchase of Mineral Rights for cash	6,664.00		249,828.25
Alkali Leases in Saskatchewan - at cost			1,439.75
Furniture and Equipment-at cost			3,370.00
<b>Deferred Exploration, Development and Other Expenditures (Net):</b>			
Balance at 31st December, 1964	1,140,230.21		
Add - Net expenditure for the three months ended 31st March, 1965	51,092.51		1,191,322.72
			<u>\$2,726,714.64</u>

LIABILITIES

<b>Current Liabilities:</b>			
Accounts payable and accrued		\$	5,076.00
<b>Capital Stock:</b>			
Authorized - 5,000,000 shares of no par value			
Issued - 3,300,000 shares for			2,469,000.00
Earned Surplus			252,638.64
Approved on behalf of the Board			<u>\$2,726,714.64</u>

\_\_\_\_\_  
Director

  
Director



STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND OTHER EXPENDITURES

FOR THE THREE MONTHS ENDED 31st MARCH, 1965

Potash Project:

Administrative expenses	\$	5.08	
Engineer's salary		3,000.00	
Engineering expenses, including Western Office and engineer's travelling		649.22	
Cost of retaining permits, leases and mineral rights	\$	49,067.60	
Less - amount recoverable from Noranda Mines Limited		<u>9,799.43</u>	<u>39,268.17</u>
			\$ 42,922.47

Examination of Sodium Sulphate deposits under Alkali Leases held in Saskatchewan			3,448.95
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Administrative and General:

Directors' expenses		34.60	
Insurance		45.41	
Office and general expenses		109.44	
Rent		884.19	
Salaries - executives	\$	3,600.00	
- office		697.25	
Telephone		<u>229.45</u>	<u>5,600.34</u>
			\$ 51,971.76

Deduct:

Administrative fees earned	\$	675.00	
Interest received		<u>204.25</u>	<u>879.25</u>
			\$ 51,092.51

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE THREE MONTHS ENDED 31st MARCH, 1965

Source of Funds : Nil

Application of Funds :

Net Deferred Exploration, Development and other Expenditures	\$	51,092.51	
Fee for assignment of Alkali Leases to Company		<u>15.00</u>	<u>\$ 51,107.51</u>
Net Decrease in working Capital			<u>\$ 51,107.51</u>

Working Capital, 31st December, 1964 -

Current Assets	\$110,454.71	
Current Liabilities	<u>5,394.28</u>	\$105,060.43

Working Capital, 30th March, 1965 -

Current Assets	\$ 59,028.92	
Current Liabilities	<u>5,076.00</u>	<u>\$ 53,952.92</u>
Net Decrease in Working Capital		<u>\$ 51,107.51</u>



## ENGINEER'S REPORT

Note:-The following is a report by R. V. Tomkins, B. Sc., P. Eng., dated April 17th, 1965, on the Sodium Sulphate deposits of Tombill Mines Limited.

1. Tombill Mines Limited holds four leases on sodium sulphate deposits in Southern Saskatchewan under the Alkali Mining Regulations, valid for 20 years on expenditure of \$10,000 per lease in three years.
2. These deposits have been evaluated by core or auger drilling and analysis of test hole samples. The work was done by the Federal Department of Mines, Saskatchewan Department of Mineral Resources and Tombill Mines Limited.
3. The drill programs indicate the following reserves of valuable minerals to be present in these deposits :

Ceylon Lake	-	930,000 tons of sodium sulphate
(Lease #A4082 1,800 acres)		
Vincent Lake	-	2,260,000 tons of sodium sulphate
(Lease #A4081 1,240 acres)		
Lydden Lake and	-	1,125,000 tons of sodium sulphate
Eins Lake	-	374,000 tons of magnesium sulphate
(Leases #A4079 1,440 acres)		
#A4078 1,059 acres)		

4. Vincent Lake contains adequate reserves of adequate quality to support production of 100,000 tons per year of sodium sulphate for more than ten years.
5. The Lydden-Eins Lakes combination contains sufficient reserves to supply crude salts for the production of 50,000 tons of potassium sulphate by conversion of potassium chloride for over ten years.
6. Ceylon Lake has limited reserves for immediate operation, but may be valuable for future production of potassium sulphate.
7. Sources and Uses

Sodium sulphate is produced from natural deposits and as a by-product of industries manufacturing hydrochloric acid, rayon, cellophane, potassium bichromate, and a number of other chemicals. The natural deposits have now become the most important source of this chemical in North America, accounting for nearly all the Canadian production and over one-third of United States production. Production from the natural deposits of Saskatchewan (five plants) reached a record of 330,000 tons in 1964, about 20% of the North American total. Most of the new demand for sodium sulphate is expected to be supplied from natural deposits.

The kraft pulp industry uses 95% of the sodium sulphate produced in Canada and about 70% of the sodium sulphate produced in the United States. The remainder is used mainly in the manufacture of glass, as a filler for powdered detergents, and in animal feeds. New demand will come from large expansions planned by the kraft pulp producers. Sodium sulphate for the kraft trade sells for about \$16 per ton at the Saskatchewan plants. Exports to the United States range from 60,000 to 90,000 tons during the past few years ("Sodium Sulphate" by C. M. Bartley - Dept. of Mines and Technical Surveys, Ottawa, 1963.).

### DISCUSSION AND RECOMMENDATIONS

Tombill Mines Limited acquired leases on these deposits with two objectives - 1) production of sodium sulphate, and 2) conversion of sodium sulphate (and magnesium sulphate) to potassium sulphate using processes developed by the Saskatchewan Research Council.

To obtain a satisfactory return on investment, a sodium sulphate operation should be capable of producing 75,000 tons and preferably more, each year. Extraction of reserves from a sodium sulphate deposit will never be complete for economic and technical reasons and it appears unwise to consider more than two-thirds of the total reserve recoverable. Therefore to operate 10 years at 100,000 tons per year, at least 1,500,000 tons sodium sulphate should be available in the deposit. Of the Tombill holdings only Vincent Lake is large enough. Therefore it is recommended that studies of the feasibility of production from this lake be undertaken without delay. These studies should include :

1. Market investigation by the company and consultants.
2. Process investigations and necessary testing on a pilot scale by suitable organizations.
3. Investigation of water supplies both for plant use and brine production on the deposit.
4. Preliminary plant design to obtain capital and operating cost estimates by consultants.

It is estimated that initial stages of 1 and 2 will cost \$5,000 to \$10,000 each, and of 3 and 4, \$10,000 to \$15,000 each making a total range of expenditure from \$30,000 to \$50,000.

As soon as sufficient information is obtained from this work, if recommendations are favourable, construction of brine reservoirs at the lake should be commenced so that a supply of




crude salt can be accumulated to enable early production of sodium sulphate to start.

Lydden and Eins Lakes do not contain sufficient reserves for straight sodium sulphate production, and the high magnesium content is detrimental. However, production of potassium sulphate from sodium and magnesium sulphate mixtures has been studied and the process appears operational. The scale of operation in this case can be considerably smaller, possibly 50,000 tons per year, so the reserves in these lakes will be adequate. For this project the following procedures are recommended :

1. Market investigations relating to potassium sulphate.
2. Studies of the process using raw material from Eins and Lydden Lakes and necessary pilot scale testing.
3. Preliminary plant design for capital and operating costs.

These items will cost similar amounts to those recommended for Vincent Lake, but may not be as extensive initially, so \$15,000 to \$25,000 should be provided for this work.

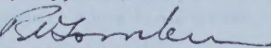
Ceylon Lake should be kept as a reserve for future potassium sulphate development, and sufficient work credited against it to keep the lease in good standing.

  
R. V. Tomkins  
Regina, Saskatchewan  
April 17, 1965.

#### CERTIFICATE

I, Robert Vernon Tomkins, Chemical Engineer, Project Manager for Tombill Mines Limited, hereby certify:

1. That I was graduated from the University of Saskatchewan in the year 1944 with the degree of Bachelor of Science in Chemical Engineering with distinction.
2. That I am a Registered Professional Engineer in the Provinces of Saskatchewan and Manitoba, and a Member of the Canadian Institute of Mining and Metallurgy.
3. That I have no direct interest in the properties described herein, and that I have an indirect interest in these properties only through the ownership of 8,000 shares of Tombill Mines Limited common stock.
4. That I was a Research Engineer from 1947 to 1952, and Director of Industrial Minerals Research for the Saskatchewan Department of Mineral Resources from 1952 to 1954, and that in these capacities I was in charge of investigations of the sodium sulphate resources of Saskatchewan and was the author of the publication of that Department called "Natural Sodium Sulphate in Saskatchewan" published First Edition in 1948 and Second Edition in 1954.
5. That I personally examined these properties in 1947 and 1951, and that I personally supervised all phases of the drilling program at Eins and Lydden Lakes conducted by Tombill Mines Limited in February of 1965.
6. That the foregoing report is based on knowledge and experience gained during the above associations, supplemented by study of the publications listed below, which may be referred to for additional detail
  - i. Sodium Sulphate of Western Canada, by L. H. Cole, Canada Dept. of Mines Rept. No. 6464, 1926.
  - ii. Natural Sodium Sulphate in Saskatchewan, by R. V. Tomkins, Second Edition, Sask. Dept. of Mineral Resources Rept. No. 6, 1954.
  - iii. Sodium Sulphate - 1963, by C. M. Bartley, Preliminary Mineral Review, Dept. of Mines and Technical Surveys, Ottawa.
  - iv. Sodium and Sodium Compounds - 1963, by Robert T. MacMillan, Preprint from Bureau of Mines Yearbook, U. S. Dept. of the Interior.
  - v. Production of Potassium Sulphate from Naturally Occurring Sodium Sulphate and Potassium Chloride, by Brad Gunn, Can. J. of Chem. Engineering, August 1964, pp 187-190.
  - vi. Production of Potassium Sulphate from a Mixture of Sodium and Magnesium Sulphate and Potassium Chloride, by Brad Gunn, Sask. Research Council Publication C64-2, May, 1964.

  
R. V. Tomkins, B.E., P.Eng.

Dated at Regina, Saskatchewan, this 17th day of April, 1965.



16. Names and addresses of persons whose shareholdings are large enough to materially affect control of the company.	James A. Grant, acting in consort with the other directors may be in a position to materially effect control of the Company if they are able to obtain sufficient proxies from the rest of the large shareholders as shown in Item 15.																							
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<div>MARKETABLE SECURITIES</div> <div>AS AT MARCH 31ST, 1965</div> <table><tr><th>Security</th><th>Book Value</th><th>Market Value</th></tr><tr><td>100,000 shares Gulch Mines Limited</td><td>\$30,096.59</td><td>\$ 9,500.00</td></tr><tr><td>10,000 shares Madsen Red Lake Gold Mines Limited</td><td>35,150.00</td><td>21,100.00</td></tr><tr><td>60,000 shares Glen Echo Mines Limited</td><td>5,225.00</td><td>3,600.00</td></tr><tr><td></td><td><u>\$70,471.59</u></td><td></td></tr><tr><td>Less: Reserve for Investments</td><td>25,900.23</td><td></td></tr><tr><td></td><td><u>\$44,571.36</u></td><td><u>\$34,200.00</u></td></tr></table> <div>Vendors share interest in Craskie Mines Limited</div> <div>- 732,226 shares</div> <div>\$21,128.78</div> <div>Advance to Craskie Mines Limited</div> <div>7,220.67</div> <div>Balance Sheet total</div> <div><u>\$28,349.45</u></div> <div>Sundry Investments and Advances -</div> <div>16,000 shares Maylac Gold Mines Limited (exchangeable for shares of Gulch Mines Limited when directions are issued - on basis of 1 Gulch share for every 30 Maylac shares)</div> <div>\$159.00</div> <div><u>\$50.63</u></div> <div>Unexpended portion of advance to Messrs. Smellie and Coppleman(Western solicitors)</div> <div>107.22</div> <div>Balance Sheet total</div> <div><u>\$266.22</u></div>			Security	Book Value	Market Value	100,000 shares Gulch Mines Limited	\$30,096.59	\$ 9,500.00	10,000 shares Madsen Red Lake Gold Mines Limited	35,150.00	21,100.00	60,000 shares Glen Echo Mines Limited	5,225.00	3,600.00		<u>\$70,471.59</u>		Less: Reserve for Investments	25,900.23			<u>\$44,571.36</u>	<u>\$34,200.00</u>
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18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending or in process against the Company or its properties.																							
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Agreement dated May 1st, 1964 between the Company of the first part and Noranda Mines Limited of the second part respecting the Company's potash properties - reference is made to the Company's Filing Statement No.1113 attached to which is the said agreement.																							
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	None. No shares of the Company are in the course of primary distribution to the public.																							

CERTIFICATE OF THE COMPANY

DATED April 12th, 1965

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J. A. Grant"

TOMBILL MINES LIMITED

CORPORATE  
SEAL

"S. H. Robinson"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)